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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/363,499	07/29/1999	DAVID B. SUTTON	9204-000001	8198

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EXAMINER
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PATEL, JAGDISH

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 01/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/363,499

Applicant(s)

SUTTON ET AL.

Examiner

JAGDISH PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 27 September 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 23-32 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 23-32 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 10/4/04, 4/14/04
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

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**DETAILED ACTION**

1. This communication is in response to amendment filed 9/27/2004.

***Response to Amendment***

2. Claims 1-22 have been canceled. New claims 23-32 have been added.

***Response to Arguments***

3. Applicant's argument concerning 35 USC 101 concerning two prong test is not consistent with the current practices the U.S. Patent office as was pointed out in the earlier office action. The 35 U.S.C. 101 rejection is restated in reference to the newly added claims.

***Claim Objections***

4. Claims 26 and 27 are objected to because of the following informalities: These claims depend upon rejected claim 22. The examiner has analyzed the claims on the basis of their dependency on claim 23. Appropriate correction is required.

***Claim Rejections - 35 USC § 101***

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**5. Claims 23-32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

Claimed invention is not within technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject

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matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank &*

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Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 23-32 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The step of acquiring a

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purchase card, providing a purchase transaction information, and transacting a purchase with the retailer could be performed manually. For instance, the card can be physically acquired by a customer by visiting the card provider. Note that the fact that the card itself is a piece of card board with the claimed information written on it. Similarly, the person can manually provide the card number (associated with the card) and purchase information to a merchant and finally, the merchant can manually record the purchase based on the account number and deliver the purchase to the person.

Therefore, claims 23-32 fail to recite technological art as a part of performing the method steps and are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as with the use of computer network and/or computer or server. This would render the claims within technological art as per requirements under 35 USC 101.

***Claim Rejections - 35 USC § 112***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

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Claims 24 and 25 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 24 recites that the purchase card further includes a non-personalized card holder name embossed on the purchase card, such that purchase transaction information includes the non-personalized card holder name. This limitation is indefinite because the transacting step is carried out based on the account number associated with the card and does not require any identifying information.

Claim 25 also inherit this deficiency.

***Claim Rejections - 35 USC § 103***

7. Claims 23-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over article, Banks Enter A New Debit Market, And AmEx Has Its Foot In The Door, Debit Card News, v 4, n 11, November 30, 1998 (hereafter Debit Card News) and further in view of Abcede (Plastic Payment storm prepares to touch down), NPN v89n1 pp 26-34 January 1997 (Abcede).



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As per claim 23, Debit Card News teaches a method of transacting a purchase, comprising:

acquiring a purchase card from a purchase card provider, where the purchase card is a bearer instrument having an associated account number, but does not identify the person who acquired the purchase card; (refer to Prepaid gift cards p. 2, purchase card is a gift card issued by AmEx and inherently does not identify the purchaser of the gift card, see p. 2 bottom paragraph "cardholders may purchase and send to anyone they want"))

providing purchase transactional information by a purchaser, including the account number associated with the purchase card, to a retailer, the retailer being different from the purchase card provider;

(see p. 2 the AmEx gift card is processed by charging merchants (different from AmEx who is the purchase card provider), inherently the purchase transactional information by a purchaser (who uses the gift card) is provided to the merchants);

transacting a purchase with the retailer based on the account number associated with the purchase card ,

(AmEx offers the prepaid gift card which can used as cash).

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AmEx fails to teach that the purchaser is not required to provide any identifying information, including a personal identification number (PIN) to conduct the transaction. However Abcede, in the same field of endeavor teaches a method of transacting a purchase using a purchase card wherein the purchaser is not required to provide any identifying information including the PIN. (see p. 5 of Abcede)

It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to provide for transacting a purchase without requiring a PIN or other personal information as per claim because this would facilitate payment of small amount purchases without the need for credit card or cash and which would expedite the transaction at the point of sale.

Claim 24. The method of Claim 23 wherein the purchase card further includes a non-personalized cardholder name embossed on the purchased card, such that purchase transactional information includes the non-personalized cardholder name.

(see p. 3 "embossed with the cardholder's name")

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Claim 25. The method of Claim 24 wherein the non-personalized cardholder name is further defined as a name for the purchase card provider.

(see p. 3 "embossed with the cardholder's name)

Claim 26. The method of Claim 22 wherein the step of acquiring a purchase card further comprises purchasing the purchase card from a retail establishment, where the purchase card is provided to the retail establishment by the purchase card provider.

(see p. 2 AmEx provides the cards through Chanel and Tower who have set minimums for purchasing the cards)

Claim 27. The method of Claim 26 wherein the purchase card is provided by the purchase card provider to the retail establishment on a consignment basis.

(p. 2 see pricing structure)

Claim 28. The method of Claim 26 wherein the purchase card having a purchase limit equal to an amount paid for the purchase card less a service fee assessed by the purchase card provider.

(see p.3 "The offline, signature based cards...")

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Regarding Claims 29-31, Debit Card News does not explicitly teach activating the purchasing card by contacting the purchase card provider prior to transacting a purchase and providing contact information for the purchase card provider on the purchase card.

Official Notice is taken that activating a purchasing card (debit card, credit card etc.) by contacting the purchase card provider prior to transacting a purchase and providing contact information for the purchase card provider on the purchase card are old and well known.

It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to have the aforementioned steps implemented in the Debit Card News reference because activating the card would prevent unauthorized use and having a contact information on the card would provide fast and convenient way to contact the card provider when such need exists.

Regarding claim 32 Debit Card News in combination with Abcede teaches all limitations of claim 32 as analyzed in claims 23 and 24.

#### **Conclusion**

8. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

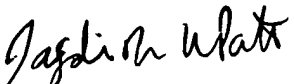
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 3600 is (703) 305-7687. **Draft faxes may be submitted directly to the examiner at (703) 746-5563.**

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113 or 308-1114. Address

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for hand delivery is 2451 Crystal Drive, Crystal Park 5, 7<sup>th</sup>  
Floor, Alexandria VA 22202.

  
Jagdish N. Patel

(Examiner, AU 3624)

4/15/04